

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
JAMES T. STOVALL III	GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA

Check Appropriate Boxes:

- ☒ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.
- ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- ☐ The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

INDIVIDUAL LEGAL REPRESENTATION.
SEE CONTRACT

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5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

LEGAL REPRESENTATION AS
DESCRIBED IN CONTRACT.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?¹
Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

CONTACTS WITH OFFICIALS OF THE EXECUTIVE
AND LEGISLATIVE BRANCHES RELATING TO
CONTINUING IMPLEMENTATION OF THE
COMPACT OF FREE ASSOCIATION AND
PUBLIC LAW 99-236.

Date of Exhibit B	Name and Title	Signature
20 OCT 93	JAMES T. STOVALL III INDIVIDUAL REGISTRANT	James T. Stovall III

¹Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

NATIONAL GOVERNMENT OF THE
FEDERATED STATES OF MICRONESIA

Contract for Services by
Independent Contractor/Consultant
Non-Employment Status

THIS CONTRACT is entered into as of the date of execution hereof by and between the NATIONAL GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA ("hereinafter "Government:), whose address is P. O. Box PS 105, Palikir, Pohnpei, FM 96941 and JIM STOVALL, an ATTORNEY -AT-LAW having his principal offices at 1725 N ST NW, Washington, D.C. 20036. OK
N

RECITALS

Government desires the services of a qualified Attorney to provide legal representation to and for the Government primarily in the area of international relations and affairs of the Government of the Federated States of Micronesia.

Mr. Stovall has extensive experience in international relations and governmental matters relating to the Federated States of Micronesia and desires to perform the hereinafter described services to and for the Government under the conditions set forth in this Contract.

WITNESSETH

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations herein set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Government and Jim Stovall do hereby agree as follows:

1. SCOPE OF SERVICES.

A. Government hereby retains Jim Stovall to render services to Government as attorney and counselor-at-law. Jim Stovall shall, under the authority and direction of the Attorney General and upon request of the Government, provide the Government with legal advice, assistance and representation in matters relating to the Federated States of Micronesia's government-to-government relationships, under the Compact of Free Association including its implementations with the United States of America, and with other foreign countries, and in matters

relating to its relationships with international organizations. Jim Stovall may, upon request of Government and with the approval of the Attorney General of the Federated States of Micronesia, represent the Government in proceedings which may be pending or which may hereafter arise before any of the federal, state or local courts of the United States or before any of the federal, state, or local agencies or departments of the United States and including any international courts or tribunals with respect to which the Federated States of Micronesia is a party or otherwise interested. Jim Stovall, under the authority of the Attorney General and upon request of Government, may provide legal advice, assistance and representation to the FSM Embassy to the United States and to the personnel of that office with respect to matters relating to the official functions of the Embassy. At the request of the Secretary of External Affairs or the FSM Permanent Representative to the United Nations, Mr. Jim Stovall may provide legal advice, assistance and representation to and for the Permanent Mission of the Federated States of Micronesia to the United Nations. Mr. Jim Stovall shall, under the authority of the Attorney General and upon request of Government, also provide legal advice, assistance and representation to the Government including any of his departments, offices and agencies on matters in addition to the matters described above and may also render legal advice, assistance, and representation to the States, municipalities, and subdivisions of the Federated States of Micronesia.

B. Jim Stovall hereby agrees to serve as attorney and counselor-at-law to Government under the authority of the Attorney General and will faithfully represent the interests of Government and render to the best of its abilities the services described above during the continuance of this Contract. The parties hereto specifically recognize that an important goal of the counsellor relationship established hereunder is to promote and develop maximum self-reliance on the part of the FSM Ambassador to the United States, the FSM Permanent Representative

to the United Nations and their staffs. Services by Jim Stovall pursuant to paragraph 1A hereof shall be provided in a manner fully consistent with the achievement of that goal.

C. The services to be rendered by Jim Stovall pursuant to this contract shall be performed by James T. Stovall, or under his direct supervision, and he shall be responsible for the satisfactory performance thereof.

D. Except as otherwise provided in this Contract, the Secretary of External Affairs or the Attorney General shall act as the authorized representative of Government for purposes of all notices, requests, determinations and other actions to be taken by Government pursuant to this Contract.

2. DURATION.

A. The time of performance under this Contract shall be one year, commencing on 01 October, 1993 and ending on 30 September, 1994.

B. This Contract may be terminated by either party, with or without cause, on the giving in writing to the other party of thirty (30) days notice of termination.

3. COST AND TERMS OF PAYMENT.

A. Government shall pay Jim Stovall the sum of \$200,000 as consideration for its services pursuant to this contract. Said sum shall be paid in accordance the provisions of this contract as follows:

(i) First Payment in the amount of \$50,000.00 shall be made on October 1, 1993.

(ii) Second Payment in the amount of \$50,000.00 shall be made on or before January 1, 1994.

(iii) Third payment in the amount of \$50,000 shall be made on or before April 1, 1994.

(iv) Forth and last payment in the amount of \$50,000 shall be made on or before July 1, 1994.

The Attorney General reserved the right to withhold or not to release any payment or portion thereof if he finds that the

services performed by Mr. Stovall are not reasonable satisfactory under article 3 paragraph (F) (1).

B. Stovall shall maintain records of requested services rendered. If, during any calendar quarter commencing with the October-December quarter, the value of requested services at said rate exceeds \$50,000 (333.33 hours), Stovall shall so notify the Attorney General and, upon approval by the Attorney General, shall continue to provide such services, submitting supplementary billings to the Attorney General for any month during that quarter or portion thereof, at the maximum \$150 hourly rate. Amounts paid under any such supplementary billings shall be included in the overall maximum of \$200,000 payable under this contract under paragraph A above.

C. Government shall consistent with FSM laws and regulations, advance or reimburse Stovall for reasonable and necessary expenses incurred by Stovall in rendering services pursuant to this Contract not to exceed \$30,000.00, including expenses for travel outside of the Washington, D.C. area authorized by Government in accordance with standard government travel and per diem policies and procedures, expenses for taxis and parking fees in the Washington, D.C. area, communications expenses (long distance telephone calls, telexes, telefaxes, postage, and express delivery services), expenses for copying documents, and representation expenses involving one or more individuals who are not officials or employees of the Federated States of Micronesia or of its States, municipalities or subdivisions. Expenses shall be reimbursed promptly after submission to Government and Attorney General of a quarterly report detailing such expenses and accompanied by proper receipts, certifications, or other documents as required by the Secretary of Finance in accordance with the provisions of the Financial Management Act of 1979, as amended, and other applicable laws and regulations.

In any quarter in which Stovall bills less than 333.33 hours, no portion of advanced fees shall be refunded, but

the government shall receive a credit for the number of hours less than 333.33 hours. This credit may (a) be applied by the government against hours billed in excess of 333.33 hours in any subsequent quarter during the term of this Contract, or (b) be applied by the government to reduce its financial liability hereunder, if at the conclusion of this contract, Stovall has billed less than 1,333 hours, in which event Stovall shall reimburse the government any amounts it has advanced in excess of its liability. Stovall understands that it is Government's policy, to the extent consistent with full protection of its interests within the areas specified in paragraph 1A, to minimize its expenses for Washington counsel. Stovall accepts as one of its responsibilities under this contract the observance of the aforementioned policy.

D. Jim Stovall shall provide the Attorney General with a statement no later than thirty (30) calendar days after each calendar quarter indicating the number of hours devoted by Jim Stovall in rendering services pursuant to this Contract, and describing the type of services rendered.

E. Jim Stovall warrants that he has not made and will not make payments or remuneration of any kind to any person, agency, or entity to secure this contract.

F. In addition, the parties agree to the following terms and conditions:

(1) Jim Stovall agrees to perform the services hereunder to the reasonable satisfaction of the Attorney General.

(2) Notwithstanding section 2B, in the event that Jim Stovall fails to commence the services in a timely fashion, or, if having commenced work, Jim Stovall abandons the work or fails to perform the work to the reasonable satisfaction of the Attorney General, then the Government reserves the right to immediately terminate this Contract and Government will be liable only for the reasonable value of the services provided up to the date of termination of contract.

(3) If the Government has advanced an amount in

excess of its liability hereunder, Jim Stovall shall promptly repay the excess to the Government or the Government may withhold the excess from compensation otherwise due to Jim Stovall under this Contract.

4. OTHER TERMS AND CONDITIONS.

A. All documents and other written materials produced by Jim Stovall or acquired by Jim Stovall in rendering services pursuant to this Contract shall be the property of the Government. Upon expiration or termination of this Contract, Jim Stovall, within a reasonable time, shall transfer all such documents and materials to the Government.

B. Jim Stovall, in rendering services pursuant to this Contract, is bound by the Model Rules of Professional Conduct, as adopted by the American Bar association on August 2, 1993. In the event that Jim Stovall, on the effective date of this Contract, is acting as attorney or counselor-at-law for any other clients with respect to a matter having any relationship to the Federated States of Micronesia, or after the effective date of this Contract and during its term desire to so act for any other client, Jim Stovall shall consult with the Attorney General and obtain the Attorney General's written consent prior to continuing or beginning such representation. After the expiration or termination of this Contract, Jim Stovall shall not, without written consent from the Attorney General, act as attorney or counselor-at-law for the Government of the United States including its agencies and other offices and any other Governments or countries, and international organizations in matters directly involving the Federated States of Micronesia or act as attorney and counselor-at-law for any other client where such latter representation is adversary to the Federated States of Micronesia or any of its political subdivisions, or involves the use of confidential information obtained by Jim Stovall in rendering services pursuant to this contract. Jim Stovall shall disclose to the Attorney General all equity or other interests held by Jim Stovall or his employees or his immediate family in

any corporation, or other entity doing business in the Federated States of Micronesia or intending to do such business.

5. COMPLIANCE WITH LAW.

In connection with this Contract, Jim Stovall, shall comply with all laws, rules and regulations as applicable, of the Federated States of Micronesia or any of its States, municipalities or subdivisions.

6. RELATIONSHIP OF THE PARTIES.

The parties intend and hereby expressly agree that an Independent Contractor-Employer relationship is created by this Contract. Except as otherwise provided in this Contract, Jim Stovall, and his other employees are not agents, employees or alter egos of Government for any purpose. Jim Stovall and his other employees are not entitled to the rights, privileges or benefits that Government provides for Government employees. Jim Stovall is solely and entirely responsible for his acts and the acts of his other employees during the performance of this Contract.

7. LIABILITY.

Jim Stovall agrees to indemnify, hold harmless, and defend Government, its agents, employees, officers, directors, and personnel of any other nature, for/from any and all claims, losses, damages, injuries, death and for liabilities arising in any way out of Jim Stovall's performance of this Contract.

8. ENFORCEMENT FEES AND COSTS.

Either party hereto shall have the right to recover any and all damages resulting from or attributable to a breach hereof by the other party. In any action brought to enforce the provisions of this Contract, the prevailing party shall be entitled to recover all costs and expenses related to such action, including reasonable attorney fees and court fees.

9. APPLICABLE LAW.

This Contract shall be interpreted and enforced in accordance with the laws of the Federated States of Micronesia.

10. SUBCONTRACTORS.

Jim Stovall shall not subcontract any portion of this Contract without the prior written consent of the Attorney General.

11. ASSIGNMENT.

Neither this Contract, nor any obligation, duty, right or responsibility created hereby may be assigned except upon prior written approval of Jim Stovall and the Attorney General of the Federated States of Micronesia, and any attempted assignment without such approval shall be null and void and without effect either at law or equity.

12. WAIVER OF BREACH.

A waiver by either party of any breach of this Contract shall not operate as a waiver of any subsequent breach hereof.

13. ORIGINALS, AMENDMENTS.

This Contract may be executed in more than one original and each such original shall be as effective as all others. This Contract may not be amended or otherwise modified except by written agreement executed by both parties hereto. A modification or amendment to any original such modification or amendment having been executed by both parties hereto, shall be equally effective to all originals whether or not such originals have been so modified or amended.

14. SEVERABILITY.

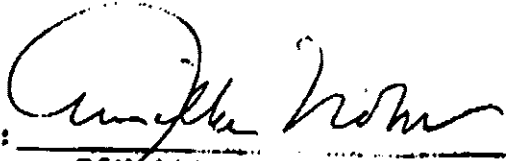
In the event any part or portion of this Contract shall be found to be unenforceable then such part or portion shall be severed from the remainder hereof as if never part hereof, and the remainder of this Contract shall remain in full force and effect, unaffected thereby.

15. ENTIRE AGREEMENT.

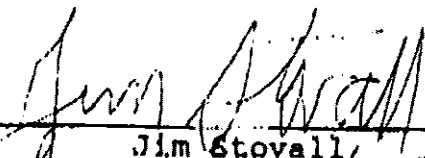
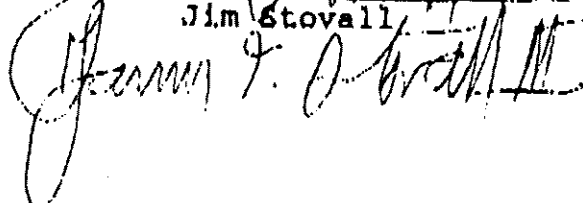
This instrument contains the entire agreement by the parties relating to the subject matter hereto and any other agreement or understanding relating hereto, whether oral or written, is superseded hereby.

IN WITNESS WHEREOF, the parties have executed this Contract
as follows:

NATIONAL GOVERNMENT OF THE
FEDERATED STATES OF MICRONESIA

By: 
FSN Attorney General

Date: October 1, 1993

By: 
Jim Stovall


Date: 29 Sept 1993

Internal Use Only	
Fund Available Acct. No. <u>1600-8408</u>	\$
<u>[Signature]</u> Secretary of Finance	<u>10/01/93</u> Date
Legal Sufficiency Determined:	
<u>[Signature]</u> FSM Attorney General	<u>30/01/93</u> Date

CERTIFICATE OF DIRECTOR OF OAS

The service to be performed by the above-named Contractor pursuant to this Contract is special or unique and non-permanent, is essential to the public interest and because of the degree of expertise or special knowledge required and the nature of the services to be performed, it is not practical to obtain a person to perform such services through normal public services recruitment.

[Signature]
Director
Office of Administrative Services

Date: 10/01/93